

HOUSE No. 2538

By Mr. Connolly of Everett, petition of Edward G. Connolly and Anne M. Gobi for legislation to further regulate real estate tax exemptions for certain elderly persons. Revenue.

The Commonwealth of Massachusetts

In the Year Two Thousand and Five.

AN ACT FURTHER REGULATING REAL ESTATE TAX EXEMPTIONS FOR ELDERLY PERSONS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

- 1 SECTION 1. Section 5 of chapter 59 of the General Laws, as
2 appearing in the 1996 Official Edition, is hereby amended by
3 inserting after clause seventeenth D, the following clause:—
4 Seventeenth E. Real estate to the taxable valuation of \$2,000 or
5 the sum of \$175, whichever would result in an abatement of the
6 greater amount of actual taxes due, of a surviving spouse or of any
7 minor whose parent is deceased, occupied by such spouse, or minor
8 as her or his domicile, or a person or persons over the age of 70 who
9 has owned and occupied it as a domicile for not less than five years;
10 provided, that the whole estate, real and personal of such spouse,
11 person or minor does not exceed in value the sum of \$70,000 pro-
12 vided that the real property occupied by such person as his or her
13 domicile shall not be included in computing the whole estate, except
14 for any portion of said real property which produces income and
15 exceeds two dwelling units, exclusive of property otherwise exempt
16 under clauses Twelfth, Twentieth and Twenty-first, exclusive of the
17 value of the mortgage interest held by persons other than the person
18 or persons to be exempted in such mortgaged real estate as may be
19 included in such whole estate.
20 No real estate shall be so exempt which the assessors shall
21 adjudge has been conveyed to such spouse, person or minor to
22 evade taxation. A spouse, person or minor aggrieved by any such
23 judgment may appeal to the county commissioners or to the appel-

late tax board within the time and in such manner allowed by section 64 or 65, as the case may be. Any exemption under this clause, to the taxable valuation of \$2,000 or the sum of \$175, whichever would result in an abatement of the greater amount of actual taxes due may be apportioned among the persons whose title to the real estate was acquired under the provisions of section 3 of chapter 190 and who qualify for an exemption under this clause. This clause shall take effect in any city or town upon its acceptance by such city or town. In those cities and towns which accept the provisions of this clause, the provisions of clauses Seventeenth, Seventeenth C and Seventeenth D shall not be applicable; provided, however, that the state treasurer shall annually reimburse the city or town an amount equal to the reimbursement granted to such city or town under said clause Seventeenth for the most recent fiscal year in which it received such reimbursement.

SECTION 2. Said section 5 of said chapter 59, as so appearing, is hereby further amended by inserting after clause Forty-first C the following clause:—

Forty-first D, Real Property, to the amount of \$4,000 of taxable valuation or the sum of \$500, whichever would amount in an exemption of the greater amount of taxes due, of a person who has reached his seventieth birthday prior to the fiscal year for which an exemption is sought and occupied by said person as his domicile, or of a person who owns the same jointly with his spouse, either of who has reached his seventieth birthday prior to the fiscal year for which an exemption is sought and occupied by them as their domicile, or for a person who has reached his seventieth birthday prior to the fiscal year for which an exemption is sought who owns the same jointly or as a tenant in common with a person not his spouse and occupied by him as his domicile; provided: (A) that such person (1) has been domiciled in the commonwealth for the preceding ten years, (2) has so owned and occupied such real property or other real property in the commonwealth for five years, or (3) is a surviving spouse who inherits such real property and has occupied such real property in the commonwealth for five years and who otherwise qualified under this clause; (B) that such person had, in the preceding year gross receipts from all sources of less than \$13,000, or if married, com-

24 bined gross receipts with his spouse of less than \$15,000 pro-
25 vided, however, that in computing the gross receipts of an appli-
26 cant under this clause ordinary business expenses and losses may
27 be deducted, but not personal or family expenses; and provided,
28 further, that there shall be deducted from the total amount
29 received by the applicant under the federal social security or rail-
30 road retirement and from any annuity, pension, or retirement plan
31 established for employees of the United States government, the
32 government of the commonwealth, or the government of any city,
33 town, county, or special district, included in such gross receipts,
34 an amount equivalent to the minimum payment then payable
35 under said federal social security law, as determined by the com-
36 missioner of revenue, to a retired worker 70 years of age or over,
37 if the applicant is unmarried, or to a retired worker and spouse,
38 both of whom are 70 years of age or over, if the applicant is mar-
39 ried; and (C) that such person had a whole estate, real and per-
40 sonal, not in excess of \$65,000, or if married, not in excess of
41 \$70,000, provided that real property occupied as his domicile
42 shall not be included in computing the whole estate except for any
43 portion of said property which produces income and exceeds two
44 dwelling units. In the case of real property owned by a person
45 jointly or as a tenant in common with a person not his spouse, the
46 amount of his exemption under this clause shall be that proportion
47 of \$4,000 valuation or the sum of \$500, whichever would result in
48 an exemption of the greater amount of taxes due, which the
49 amount of his interest in such property bears to the whole tax due,
50 provided: (A) that no exemption shall be granted to any joint
51 tenant or tenant in common unless the gross receipts from all
52 sources whatsoever of each joint tenant or tenant in common
53 unless the gross receipts from all sources whatsoever of each joint
54 tenant or tenant in common is less than \$13,000 or, if married, the
55 combined gross receipts from all sources whatsoever, of each joint
56 tenant or tenant in common and his spouse is less than \$15,000,
57 provided, however, that in computing the gross receipts of an
58 applicant under this clause ordinary business expenses and losses
59 may be deducted, but not personal or family expenses; and pro-
60 vided, further, that there shall be deducted from the total amount
61 received by the applicant under the federal social security or rail-
62 road retirement and from any annuity, pension, or retirement plan

63 established for employees of the United States government, the
64 government of the commonwealth, or the government of any city,
65 town, county, or special district, included in such receipts, an
66 amount equivalent to the minimum payment then payable under
67 said federal social security law, as determined by the commis-
68 sioner of revenue, to a retired worker 70 years of age or over, if
69 the applicant is unmarried, or to a retired worker and spouse, both
70 of whom are 70 years of age or over, if the applicant is married;
71 and (B) that the combined whole estate, real and personal of each
72 joint tenant or tenant in common is less than \$65,000 or, if mar-
73 ried, the combined whole estate, real and personal of each joint
74 tenant or tenant in common and his spouse does not exceed
75 \$70,000, provided that real property occupied as their domicile
76 shall not be included in computing the whole estate except for any
77 portion of said property which produces income and exceeds two
78 dwelling units. No proportion of the exemption shall be denied to
79 any applicant otherwise qualified for the reason that another joint
80 tenant or tenant in common receives a proportion of the total
81 exemption. Household furnishings and property already exempt
82 under the clauses Twelfth, Twentieth, Thirty-first, and Thirty-fifth
83 shall not be included in computing the whole estate for purposes
84 of this section. Where a portion of the real property occupied as a
85 domicile of an applicant under this clause is located within a
86 municipality other than the municipality in which the applicant
87 is domiciled, and where the value of said property, or the taxes,
88 assessed by the municipality in which such applicant is domiciled
89 would result in his receiving less than the maximum exemption
90 provided by this clause, that part of the property of such applicant
91 within such other municipality shall be exempt to a value, or to an
92 amount of tax sufficient to grant the applicant the total maximum
93 exemption provided by the clause. This clause shall take effect in
94 any city or town upon its acceptance by such city or town. In
95 those cities and towns which accept the provisions of this clause,
96 the provisions of clause Forty-first, Forty-first B and Forty-first C
97 shall not be applicable; provided, however, that any amount of
98 money annually appropriated by the commonwealth for the pur-
99 pose of reimbursing cities and towns for taxes abated under this
100 clause, clause Forty-first and clause Forty-first B shall be distrib-
101 uted as provided in said clause Forty-first.

1 SECTION 3. The provisions of this act shall apply to fiscal
2 years commencing on or after July 1, 1998.